



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 10, 1997

H.R. 2616 **Charter Schools Amendments Act of 1997**

*As ordered reported by the House Committee on Education and the
Workforce on October 9, 1997*

SUMMARY

H.R. 2616 would reauthorize the charter school program through 2002. It would authorize \$100 million for charter schools in fiscal year 1998 and such sums as may be necessary for fiscal years 1999-2002. The charter schools program received an appropriation of \$51 million in 1997.

H.R. 2616 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

H.R. 2616 would amend the charter schools program in Title VI of the Elementary and Secondary Education Act of 1965. Under current law, the charter schools program is authorized at such sums as necessary through 1999. The General Education Provisions Act provides an automatic one-year extension of authorizations for all programs in the Department of Education, extending current authorizations through 2000.

Under H.R. 2616, both states and other applicants would be allowed to receive grants for a longer period of time than under current law, and those that received grants before October 1, 1997, would be eligible to receive another grant for two more years. The bill would also establish priorities for allocating a portion of the federal charter school money based on factors such as whether states require charter schools to be treated as autonomous schools for the purposes of distributing other federal education funding and whether states monitor the performance of charter schools in meeting education standards.

The estimated budgetary impact of H.R. 2616 is shown in the following table. CBO used historical spending patterns of the charter school program in estimating outlays. The costs of this legislation fall within budget function 500 (education, training, employment, and social services). This estimate assumes a November 15, 1997, enactment date.

	By Fiscal Year, in Millions of Dollars				
	1998	1999	2000	2001	2002
WITH ADJUSTMENTS FOR INFLATION					
Current Law Authorizations of Appropriations					
Estimated Authorization	52	54	55	0	0
Estimated Outlays	44	52	54	48	11
Proposed Changes					
Estimated Authorization	48	49	50	108	111
Estimated Outlays	6	38	48	57	97
Total Spending Under H.R. 2616					
Estimated Authorization	100	103	105	108	111
Estimated Outlays	50	90	102	105	108
WITHOUT ADJUSTMENTS FOR INFLATION					
Current Law Authorizations of Appropriations					
Estimated Authorizations	51	51	51	0	0
Estimated Outlays	44	50	51	45	10
Proposed Changes					
Estimated Authorization	49	49	49	100	100
Estimated Outlays	6	39	48	55	90
Total Spending Under H.R. 2616					
Estimated Authorization	100	100	100	100	100
Estimated Outlays	50	90	99	100	100

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 2616 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Participation in the grant program authorized by this bill would be voluntary on the part of state educational agencies and schools.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

The bill contains no private-sector mandates as defined in UMRA.

ESTIMATE PREPARED BY:

Federal Cost: Sheila Dacey and Justin Latus

Impact on State, Local, and Tribal Governments: Marc Nicole

Impact on the Private Sector: Nabeel Alsalam

ESTIMATE APPROVED BY:

Paul N. Van de Water

Assistant Director for Budget Analysis